

San Joaquin Hills  
Corridor Agency

Chairman:  
Joel Lautenschleger  
Laguna Hills



**TRANSPORTATION CORRIDOR AGENCIES**

Foothill/Eastern  
Corridor Agency

Chairman:  
Susan Withrow  
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February 22, 2001

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Subject: San Joaquin Hills Transportation Corridor  
Value Pricing Pilot Program  
Phase II Work Plan

Dear Theresa and Jeff:

Enclosed is the final SJHTC Phase II Work Plan. I look forward to working with you on the next step of the program.

Sincerely,

Perry Swindle, SR/WA  
Deputy Director  
Right-of-Way and Special Projects

Enclosures

Walter D. Kreutzen, Chief Executive Officer

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# SJHTC Value Pricing Pilot Project :

## Peak Period Premium on the San Joaquin Hills Transportation Corridor (SJHTC)

### Phase II Work Plan

*February, 2001*

#### **1.0 Need for the SJHTC Peak Period Premium Pilot Project**

The San Joaquin Hills Transportation Corridor (SJHTC/State Route 73) has been in full operation since November, 1996. The 15-mile long Corridor extends from Interstate 5 near San Juan Capistrano to Interstate 405 in Newport Beach, and provides an alternative to heavily congested portions of I-5 and I-405.

Transactions are in excess of 2.3 million per month for the six lane facility. Currently, the SJHTC is near capacity during peak periods. The facility is designed to operate at Level of Service C (LOS C). The Level of Service on the mainline (as measured at the Catalina View toll plaza) deteriorates to LOS E during the morning peak period, and is at LOS D in the evening peak period.

This Value Pricing Pilot Project implements a peak period premium and potential off-peak discounts on the SJHTC Mainline which is calibrated to reduce congestion and spread peak demand to shoulder and off-peak periods, while maintaining revenues at levels required to maintain the covenants on the Agency's revenue bonds.

**Phase I:** The initial stage of work on the Value Pricing Pilot Project has yielded a blueprint for implementing a peak period premium on the SJHTC. Phase I included development of a Monitoring and Evaluation Program; preparation of a baseline to allow comparison of pre- and post-implementation conditions; formation of a Project Management Team to advise TCA on the pilot project; and development of various pricing options for Board consideration.

Phase I resulted in two SJHTCA Board actions:

*February, 2000:* The SJHTCA Board formally directed TCA staff to explore pricing options that would allow revenue to grow incrementally, and to ensure revenue stability for the corridor after 2007, while continuing to ensure free-flowing traffic conditions.

*June, 2000:* The SJHTCA Board adopted a Revenue Stabilization Plan that includes revised toll ramp pricing schedule, increasing tolls at five ramps effective July 10, 2000. The Board also directed staff to develop a system-wide value pricing program covering the SJHTC for Board consideration in December, 2000. Implementation will occur in July, 2001, concurrent with the Foothill/Eastern Transportation Corridor.

**Phase II:** This submittal details the scope of work, budget and schedule for Phase II of the Value Pricing Pilot Project. During Phase II, the SJHTC Pilot Project will establish a peak period premium on the San Joaquin Hills Transportation Corridor, monitor and evaluate its effectiveness for 6 months, and implement a refined value pricing schedule based on that experience. The initial peak period premium is designed to redistribute trips on the toll road from peak hours to less-congested shoulder and off-peak hours.

**Phase III:** A preliminary work plan for Phase III, Refinement of Value Pricing Schedule, is included in the original August, 1999, pilot project submittal. The final work plan for Phase III will be refined and submitted to FHWA for funding prior to completion of Phase II.

## **2.0 Detailed Scope of Work for Phase II: Peak Period Premium Implementation**

- II.A Carry Out Public Outreach and Marketing Programs.**
- II.A.1 Conduct focus group research to refine marketing programs that support a revised value pricing program.
- II.A.2 Adjust marketing strategies and materials to implement the Phase II pricing program.
- II.A.3 Design a specific marketing program to encourage high-occupancy vehicles.
- II.A.4 Implement public outreach programs to inform the public about impending toll changes.

- II.A.5            Produce collateral materials and implement marketing programs that support public understanding of how the toll changes can benefit them, and that will focus on increased use of the SJHTCA during off-peak periods.
- II.B**            **Implement Peak Period Premium.**
- II.B.1           TCA will design, deploy or construct additional adaptations of the toll road facility or technology necessary to implement a peak period pricing schedule.
- II.B.2           TCA will levy a premium on all trips during the peak period, pursuant to the Board-adopted benchmark policy.
- II.C**            **Monitor and Evaluate the Impacts of a Peak Period Premium.**
- II.C.1           **Refine the Phase II Monitoring and Evaluation Program Drafted in Phase I.**  
TCA will finalize a refined Phase II Monitoring and Evaluation Program (MEP) which continues and is consistent with the Phase I MEP. The purpose of the Phase II MEP is to document, assess, and verify all of the value pricing pilot project's potential and observed impacts on the SJHTC. The Phase II MEP will include tools and benchmarks for measuring the performance and impact of the peak period premium program on the SJHTC, as compared to the Baseline developed in Phase I.
- II.C.2           **Implement the Phase II Monitoring and Evaluation Program.**
- II.C.2.a          TCA will monitor changes in patronage, Average Vehicle Occupancy, time of day, and revenues resulting from the peak period premium policy.
- II.C.2.b          TCA will compare and contrast resulting data with the new baseline data and survey of control facilities.
- II.C.3           **Report on Monitoring and Evaluation Plan Phase II Results.**
- II.C.3.a          TCA will present monitoring and evaluation results to the PMT for review and comment in a series of MEP reports.
- II.C.3.b          MEP reports will compare traffic impacts of the value pricing project with the project baseline.

- II.C.3.c MEP reports will compare pre-and post-implementation focus group and survey responses with related inquiries completed in Phase I.

**Draft the Phase III Monitoring and Evaluation Plan.**

TCA, in consultation with the PMT, will draft the Phase III Monitoring and Evaluation Program to provide continuity among the three project phases. The Phase III MEP will address both traffic performance and travel behavior indicators, comparing actual results to baseline conditions and projected performance. The Phase III MEP will be refined at the onset of Phase III as appropriate.

**II.D Develop Refined Pricing Options.**

- II.D.1 TCA will compare ridership and revenue trends identified by the MEP against expected conditions based on Phase I sensitivity analyses and identify those indicators that differ from expectations.

- II.D.2 TCA will develop a set of refined pricing schedules, if necessary, to balance ridership and revenue constraints, as needed. Examine a spectrum of options which may include two-tiered, three-tiered and dynamic pricing applications.

**II.E Take TCA Board Action on Refined Options As Needed.**

- II.E.1 Based on Phase I and Phase II experience, the SJHTC Board will take formal action to set a refined variable toll schedule that fulfills TCA's fiduciary and public transportation responsibilities. In taking action, the TCA Board will consider opinions and input of the FHWA and the Project Management Team (PMT).

The SJHTCA Board will determine appropriate adjustments to premium charges for HOV uses.

**II.F Provide Ongoing Project Management**

- II.F.1 TCA will manage the value pricing pilot project through its Operations and Management Committee and various staff committees.

TCA's Deputy Director of Right-of-Way and Special Projects will assume primary project management responsibility.

Project oversight will be provided by TCA's Value Pricing Working Group, an interdisciplinary in-house management team that includes representatives from all departments contributing to implementation of the demonstration project.

TCA will maintain and update all project accounting tools, including the project budget and schedule.

## **II.G**

### **II.G.1**

#### **Provide for Ongoing Interagency Review and Input.**

TCA will coordinate with FHWA on the implementation of the project:

TCA staff will take the day to day lead for preparing and implementing the demonstration project.

Final decisions regarding value pricing pilot program implementation rest with the SJHTC Board of Directors.

FHWA will be an active partner in the development of the project, including key planning matters.

Both TCA and FHWA will participate with other advisory agencies in the PMT, which will provide a forum for resolving issues and receiving advice on an ongoing basis.

### **II.G. 2**

TCA will convene the PMT on a regular and timely basis to insure input from regional, state, and federal agency partners in the pilot program.

The PMT will assist in formulating recommendations for TCA staff to submit to the SJHTC Board for consideration, and will provide consultation on modeling, monitoring and evaluation tasks.

The PMT will consist of representatives from FHWA, Caltrans, TCA and SCAG. The PMT will meet monthly to serve as a resource to TCA in planning and reviewing value pricing pilot project activities.

## **3.0 Phase II Deliverables**

### **Semi-Annual Monitoring and Evaluation Reports**

Public Outreach Programs  
Focus Group Research Reports  
Marketing Materials and Efforts  
Refined Pricing Options Report  
Adopted Revised Schedule of Tolls  
AVI Software Update

#### **4.0 Phase II Budget and Schedule Summary**

Figure 1 summarizes the Phase II project budget and schedule. The project will extend over an 18-month period.

**Budget.** Funds from the Value Pricing Grant will be used to defray the Transportation Corridor Agency's costs to plan and implement Phase II of the Value pricing Pilot Project, as well as to fund required Metropolitan Planning Organization participation by the Southern California Association of Governments.

*20% Project Match.* The TEA-21 Value Pricing Pilot Program will cover 80% of eligible project costs. TCA and its partners will pay for the remaining 20% of costs, which will be covered by operating funds earmarked for the value pricing project in TCA's 2000/2001 budget and are readily available for work conducted under this work plan. A separate account will be established for the SJHTC Pilot Project. TCA will invoice Caltrans monthly for 80% of all project costs incurred.

**Schedule.** The Phase II pilot project is ready to commence immediately upon FHWA approval. The projected start date is April 1, 2001, with completion by June, 2002.

**Figure I: Scope, Budget and Schedule Summary**



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